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Report Highlights:

***Bt cotton raised farm incomes*, *Wheat exports to Egypt not feasible*, *No grain exports if monsoon fails - AgMinister*, *Snowman plans to expand cold storage network*, *Bangladesh: Bangladesh may buy 100,000 tons of wheat from Pakistan*, *Truckers strike disrupts food supplies, slows grain trade*, *Government defers all-party meeting on grain*.**

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
New Delhi [IN1], IN

Welcome to Hot Bites from India, a weekly summary of issues of interest to the U.S. agricultural community. The report includes information that has been garnered during travel within India, reported in the local media, or offered by host country officials and agricultural analysts. Press articles are included in this report. Significant issues will be expanded upon in subsequent reports from this office.

DISCLAIMER: Any press summary contained herein does NOT reflect USDA's, the U.S. Embassy's, or any other U.S. Government agency's point of view or official policy.

BT COTTON RAISED FARM INCOMES

Mahyco-Monsanto (India) Ltd. claims that its Bt cotton varieties increased farm incomes by about rs. 17,500 per hectare (\$370) due to reduced pesticide usage (by 65-70 percent) while giving an extra yield of 30 percent. According to the company, the observations are based on data collected on the three approved Bt varieties from a large number of farmers in the six southern states. Four teams from the Genetic Engineering Approval Committee (GEAC), comprised of officials from the department of biotechnology and the ministries of agriculture, environment and health, and scientists from Central Institute of Cotton Research, monitored the crop progress. Mahyco-Monsanto got approval for the commercialization of three Bt cotton varieties (MECH 12, MECH 162 and MECH 184) in March 2002 in the states of Tamil Nadu, Maharashtra, Gujarat, Andhra Pradesh, Karnataka, and Madhya Pradesh. (Source: Business Standard 4/23/03)

WHEAT EXPORTS TO EGYPT NOT FEASIBLE

The understanding reached with Egypt leading to that country opening up its wheat market to India has been termed "of little importance" to India, with Indian traders saying exports to that country are a non-starter due to price related issues. "Egypt has not relaxed its quality norms for export, including the requirement for *Karnal bunt* free wheat. Hence, supplying them this category will not be feasible, price-wise", according trade sources. The process of Egypt allowing Indian business to participate in its Government-floated wheat tenders did not mean they would be able to make successful bids, trade sources said. They said wheat is not segregated in India as *Karnal bunt* free. (Source: Business Line, 04/22/03)

Post Comment: Despite these pronouncements, Egyptian private importers have already imported some 85,000 tons of Indian wheat since November, 2001. (See IN3031)

NO GRAIN EXPORTS IF MONSOON FAILS - AG MINISTER

Agriculture Minister Ajit Singh told a press conference that the country's foray in the world grain market will be reconsidered if the monsoon fails for the second consecutive year, as the country's food security is of primary concern to the government. (Source: Financial Express, 04/18/03)

Post Comment: The Indian Meteorological Department has forecast increased probability for a below normal monsoon this year. (See IN3031)

SNOWMAN PLANS TO EXPAND COLD STORAGE NETWORK

Snowman Frozen Foods Ltd., the Indian cold chain logistics company, is looking to strengthen its domestic network by setting up smaller distribution centers for secondary distribution to retail outlets. The Bangalore-based company is involved with all kinds of perishables like seafood, ice-creams, frozen vegetables, etc. The company plans to increase its cold storage network from 11 to 21 units in the next 4-5 years. They are also looking to modernize and expand their refrigerated fleets from current coverage of 25 cities to nearly 50 cities spread all over the country. Snowman has a strong client base of 150 leading Indian food companies, including Hindustan Levers, Amul, Mother Dairy, ITC, and NDDB. (Source: Business Line 4/19/03)

BANGLADESH: BANGLADESH MAY BUY 100,000 TONS OF WHEAT FROM PAKISTAN

Pakistan is likely to sign a deal to supply Bangladesh with 100,000 tons of wheat at \$130 per ton, an official from a state-run grain storage agency of Pakistan said Wednesday. The official, who declined to be identified, said Pakistan was offering such a low price per ton for the wheat in an effort to get a new market in Bangladesh, which traditionally buys its wheat from India. "The deal is in progress and hopefully it will be finalized in a week or so," the official, from the Pakistan Agriculture Storage and Service Corp (PASSCO), told Reuters. "The Bangladeshi government contacted us earlier this month for 100,000 tons of wheat supplies... we offered \$130 per ton FOB Karachi price," said the official. (Source: The Independent 04/18/03).

TRUCKERS STRIKE DISRUPTS FOOD SUPPLIES, SLOWS GRAIN TRADE

Following a strike called by the All India Motor Transport Congress, the biggest national union of truck operators, to press for its charter of demands, some 2.7 million trucks were off the roads from April 14 to April 23, crippling road transportation of all goods. The strike disrupted supply chains and distribution networks, resulting in shortages and higher prices of most products, particularly perishable food items like fruits, vegetables, fish, and meat in several states. The strike also slowed port operations, adversely affecting imports and exports of various agricultural products, particularly vegetable oil imports and wheat and rice exports. The manufacturing sector, including several food industries, were affected due to the shortage of raw materials and problems moving finished goods to distributors and suppliers. The strike was called off after ten days on April 23 after the government acceded to most of the demands by the striking truck union. (Source: Various press reports)

GOVERNMENT DEFERS ALL-PARTY MEETING ON GRAIN

An all-party meeting scheduled to discuss the public distribution system (PDS) in India was postponed. The meeting was called by the Prime Minister after the Minister for Food, Consumer Affairs, and Public Distribution, Mr. Sharda Yadav, proposed that the issue of grain donations to the Above Poverty Line (APL) and Below Poverty Line (BPL) families should be reviewed at the state Chief Ministerial level. Mr. Yadav proposed reducing the price of wheat and rice distributed to the APL clientele and doing away with the current subsidy on grain exports. However, Agriculture Minister Ajit Singh objected to the proposal on the ground that if the sales price of wheat and rice to the APL families were reduced now, coinciding with the harvesting of wheat, it could result in a

glut in the market and a reduced farm price. (Source: Business Standard, 04/21/03)

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